



DAVID E. JANSSEN  
Chief Administrative Officer

County of Los Angeles  
**CHIEF ADMINISTRATIVE OFFICE**

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012  
(213) 974-1101  
<http://cao.co.la.ca.us>

Board of Supervisors

GLORIA MOLINA  
First District

YVONNE BRATHWAITE BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

September 17, 2002

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**MEDICAL, DENTAL, LIFE INSURANCE AND  
DISABILITY PLANS FOR 2003  
(3 VOTES)**

**Joint Recommendation With Director Of Personnel That Your Board:**

1. Approve proposed medical, dental, life, accidental death and dismemberment (AD&D) and survivor income benefit (SIB) rates for the period January 1, 2003 through December 31, 2003, and the proposed benefit coverage changes for the Kaiser Foundation Health Plan (Kaiser), Blue Cross of California and Blue Cross Life and Health Insurance Company (Blue Cross) plans, and the Connecticut General Life Insurance Company and CIGNA Healthcare of California, Inc. (CIGNA) plan, as indicated in Exhibit I, Exhibit II and Exhibit III; continue existing rates for the Short-Term Disability (STD) plan and Long-Term Disability (LTD) Health Insurance plan, as indicated in Exhibit IV.
2. Approve the replacement of the current PacifiCare High Option HMO, Low Option HMO and Point-Of-Service (POS) plans with PacifiCare HMO and Preferred Provider Organization (PPO) plans, including the rates and plan design, as detailed in Exhibits I and V.
3. Instruct County Counsel to review and approve as to form the appropriate contracts with Blue Cross, CIGNA, Delta Dental Plan (Delta Dental), Kaiser, Life Insurance Company of North America (LINA), PacifiCare of California and PacifiCare Life & Health



(PacifiCare), and their successors or affiliates, as necessary, for the period January 1, 2003 through December 31, 2003, and with Private Medical-Care, Inc. (DeltaCare PMI) and SafeGuard Health Plans, Inc. (SafeGuard), and their successors or affiliates, as necessary, for the period January 1, 2003 through December 31, 2004, and instruct the Chair to sign such contracts.

4. Approve proposed rates and benefit coverage changes for the Association for Los Angeles Deputy Sheriffs, Inc. (ALADS) plans, the California Association of Professional Employees (CAPE) plans and the Los Angeles County Fire Fighters Local 1014 Health and Welfare Plan for the period from January 1, 2003 through December 31, 2003 as shown in Exhibit VI.
5. Approve an adjustment in the minimum County contribution under the MegaFlex and Flexible Benefit Plans from \$735 per month and \$534 per month, respectively, to \$770 per month and \$559 per month, respectively, effective January 1, 2003 at an estimated net County cost of \$398,000 per annum.
6. Instruct the Auditor-Controller to make all payroll system changes necessary to implement the changes recommended herein to ensure that all changes in premium rates are first reflected on pay warrants issued on January 15, 2003.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The current rate guarantees for certain County and union-sponsored group insurance plans end on December 31, 2002. The purpose of these recommendations is to implement premium rate changes for the 2003 calendar year and make related changes to the minimum County contribution to the cafeteria benefit plans applicable to non-represented employees.

The recommendations are the result of extensive negotiations with the affected insurance carriers. The recommended rates and the recommended benefit design changes are concurred with by the Department of Human Resources (DHR), the Chief Administrative Office and the County's group insurance consultant, Mercer Human Resource Consulting (Mercer), as well as the Coalition of County Unions and SEIU Local 660 for plans affecting represented employees.

### Implementation of Strategic Plan Goals

The recommended actions are consistent with the principles of the Countywide Strategic Plan to promote the well being of County employees and their families by offering comprehensive employee benefits.

### FISCAL IMPACT/FINANCING

These recommendations are within the parameters established by your Board. The County contribution for employee benefits is provided for in the 2002-2003 budget. The increases in employee contributions recommended herein will be accomplished through payroll deduction.

### FACTS AND PROVISIONS/LEGAL REQUIREMENTS

#### **Medical Plan Changes Affecting Represented Employees**

The current fringe benefit agreements with the Coalition of County Unions and SEIU Local 660 provide, among other things, for the current level of County contributions to the Choices and Options cafeteria plans. These contributions fund part or all of the various benefits employees purchase under the Choices and Options plans including health, dental, and other group insurance. In the case of Local 660, the fringe benefit agreement also provides for the payment of certain County subsidies toward the cost of group health insurance. As previously negotiated with employee representatives and approved by your Board, the existing County contributions affecting Coalition and Local 660 represented employees will be adjusted in 2003, and the County subsidy affecting Local 660 represented employees will continue.

As provided in the fringe benefit agreements, the following changes will take place effective January 1, 2003:

- Discontinuance of the \$0 co-pay HMO plans
- \$5 mandatory office co-pay for all HMO plans
- \$5 prescription drug co-pay for Kaiser (from a \$4 co-pay)
- \$5 generic/\$10 brand name prescription drug co-pay for all other HMO plans

Kaiser's premium rates will increase by approximately 17.7% for Choices participants and approximately 18% for Options participants. CIGNA has

proposed increases ranging from 20.1% to 22.1%, depending on type of plan and coverage category, for employees represented by the Coalition of County Unions.

We are also recommending approval of adjustments for the County approved union-sponsored health plans. Proposed 2003 rates and benefit changes for the ALADS plans, CAPE plans, and Los Angeles County Fire Fighters Local 1014 Health and Welfare Plan are summarized in Exhibit VI. ALADS is requesting various rate increases ranging from 5.6% to 22.8% depending on type of plan and coverage category. ALADS is adding coverage for periodic health exam/body scans. CAPE is requesting various rate adjustments in its two POS plans up to a maximum 12.5% along with a number of benefit changes which include increases in office visit co-pays, prescription drug co-pays, and the annual out-of-pocket maximums. Los Angeles County Fire Fighters Local 1014 Health and Welfare Plan has also made a number of benefit changes, including increases to prescription drug co-pays, and is requesting rate adjustments ranging from 5.8% to 8.6%. Detailed benefit design changes for the union-sponsored CAPE medical plan and Fire Fighters Local 1014 Health and Welfare Plan are shown in Exhibit VI.

#### **New Medical Plan for Employees Represented by SEIU Local 660**

Consistent with the current fringe benefit agreement with Local 660, the Options Plan currently provides employees represented by Local 660 with a choice between Kaiser and three different health plans offered by PacifiCare, including a Low Option (\$15 co-pay) HMO and High Option (\$3 co-pay) HMO, and a POS Plan.

The current PacifiCare plan design has resulted in significant increased costs to the POS plan in recent years. As a result, Local 660 requested a search of the marketplace for a replacement health plan. Through the collaborative efforts of the joint labor and management Benefits Administration Committee (BAC), a new benefit plan design was developed. A Request For Proposals (RFP) process was completed to determine the most financially competitive program available, while retaining viable long-term health plan choices. Five proposals were received and, after an evaluation process that included interviews and site visits, Local 660 recommended, and BAC concurred, that the contract be awarded to PacifiCare. PacifiCare submitted the proposal with the lowest overall costs.

The proposed PacifiCare plan includes a single HMO with a \$5 co-pay and \$5 generic/\$10 brand name prescription drug benefit, consistent with the current fringe benefit agreement. The prescription drug benefit is subject to a formulary. The current Low and High Option HMO plans will be discontinued.

In addition, the current POS plan will be replaced with a PPO plan that provides choice between in-network and out-of-network providers. There is no gatekeeper with the PPO and the plan provides maximum freedom of choice. Under the proposed PPO plan, in-network benefits require a 20% co-payment for office visits and most in-patient care. The plan pays 60% for out-of-network benefits with the employee required to pay a 40% co-payment after a deductible. Prescription drug coverage includes a \$5 generic/\$10 brand name co-payment, subject to a formulary. The proposed benefit coverage offered under the new PacifiCare plan is detailed in Exhibit V.

#### **Medical Plan Changes Affecting Non-represented Employees**

Non-represented employees are provided a choice between Kaiser and four plans offered by Blue Cross, including an HMO, a POS Plan, a PPO Plan, and an indemnity plan known as Catastrophic Plan. With regard to these plans, we are recommending the following changes effective January 1, 2003:

- A change in the office co-pay for the Kaiser and Blue Cross HMOs from \$10 per visit to \$15 per visit.
- A change in the Kaiser prescription drug co-pay from \$10 per prescription to \$10/\$15 for generic/brand name drugs.
- A change in the annual deductible under the Catastrophic Plan from \$1,500 per individual and \$3,000 per family to \$2,000 per individual and \$4,000 per family.

The change to a \$15 HMO office co-pay is appropriate in light of current health care cost inflation trends as well as current community trends relating to health plan design. It will also bring the non-represented employee HMO plans into better alignment with existing co-pay requirements in the Blue Cross POS and PPO plans. The change to a \$10/\$15 generic/brand drug co-pay in the Kaiser Plan will likewise bring the plan into alignment with existing drug co-pay requirements in the Blue Cross HMO, POS, and PPO

plans. The increase in the Catastrophic Plan deductible will adjust for the fact that the deductible in this plan has not been increased since the plan's inception in 1993.

In conjunction with these changes, we are also recommending that the employee contributions to the Blue Cross HMO, POS, and PPO be adjusted by five percent effective January 1, 2003 and that the employee contributions to the Kaiser Plan be adjusted from 5.7 to 7.2 percent to make these rates equal to the Blue Cross HMO rates. The Blue Cross HMO and Kaiser plans provide similar benefits at similar cost and should, in our judgment, be offered at the same price in 2003. We are recommending no adjustment to the employee costs for the Catastrophic Plan. Any difference between the actual costs of these plans and the contributions paid by employees will be funded by the County.

#### **Changes to the Minimum County Contribution Under the MegaFlex and Flexible Benefit Plans**

Non-represented employees covered by MegaFlex and Flexible Benefit Plan receive a County contribution expressed as a percentage of salary, but not less than a minimum "floor" contribution of \$735 per month under Megaflex and \$534 per month under the Flexible Benefit Plan. No adjustment in the floor contribution amounts has been made since January 1, 2000. Given that employee costs for health insurance will be increasing under both plans in 2003, and that your Board previously approved negotiated adjustments in the County contributions to the cafeteria plans pertaining to represented employees, we are recommending that the floor contributions to MegaFlex and the Flexible Benefit Plan be increased to \$770 and \$559 per month, respectively. These adjustments would take effect on January 1, 2003 and be initially reflected on the County pay warrants issued on January 15, 2003.

#### **Dental Insurance, Life Insurance and Disability Programs**

Delta Dental's rates for represented and non-represented employees are guaranteed through 2003. The County subsidy toward the cost of indemnity dental insurance will be adjusted for 2003, as previously negotiated with employee representatives and approved by your Board. With regard to the prepaid dental plans, there will be no increase in the rates for DeltaCare PMI and Safeguard, which are guaranteed through 2004. SafeGuard's 2003 rates for represented employees reflect a credit adjustment of \$0.07 as a result of performance guarantee penalties incurred by the carrier in 2001.

The premium rates for the basic County paid life insurance benefit and employee paid optional group term life insurance will not change in 2003. There will be no change in 2003 in the cost of AD&D and LTD Health Insurance available to represented and non-represented employees, or survivor income benefits available to MegaFlex participants who are members of Retirement Plan E. There will be no change in the cost of LTD and STD benefits available to MegaFlex employees.

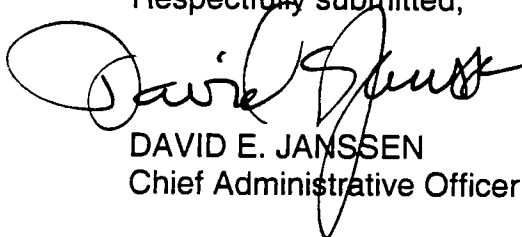
The employee contribution rates are shown in Exhibits I, II, III and IV.

**Premium Rate Detail**

Plan premium rates for CIGNA, Kaiser, PacifiCare, Blue Cross, Delta Dental, DeltaCare PMI, SafeGuard, and LINA are outlined in Exhibit I, Exhibit II and Exhibit III. Proposed STD Plan and LTD Health Insurance rates are outlined in Exhibit IV. Proposed 2003 rates for the ALADS plans, CAPE plans, and the Los Angeles County Fire Fighters Local 1014 Health and Welfare Plan are summarized in Exhibit VI. ALADS, CAPE and Los Angeles County Fire Fighters Local 1014 are also requesting benefit changes for their plans, which are shown in Exhibit VI.

The ordinance necessary to implement these recommendations has been approved as to form by the County Counsel.

Respectfully submitted,

  
DAVID E. JANSSEN  
Chief Administrative Officer

  
MICHAEL J. HENRY  
Director of Personnel

DEJ:MJH  
WGL:lg

Attachments (6)

c: Auditor-Controller  
County Counsel

**COUNTY-SPONSORED  
MEDICAL AND DENTAL INSURANCE PLANS  
FOR REPRESENTED EMPLOYEES  
CURRENT 2002 RATES AND PROPOSED 2003 RATES**

Plan	Option	Coverage Category <sup>a</sup>	Current 2002 Rates <sup>c</sup>	Proposed 2003 Rates <sup>b,c</sup>	Percentage Change
CIGNA	Network No Co-pay	1	\$217.01	Not Available	
		2	\$434.01		
		3	\$499.11		
	Network Co-pay	1	\$207.26	\$252.58	21.9%
		2	\$414.52	\$506.01	22.1%
		3	\$476.71	\$582.22	22.1%
	Health Access Open HMO	1	\$325.14	\$390.43	20.1%
		2	\$616.98	\$740.87	20.1%
		3	\$695.34	\$834.96	20.1%
	Preferred Provider	1	\$522.99	\$628.00	20.1%
		2	\$1075.76	\$1291.77	20.1%
		3	\$1208.59	\$1451.27	20.1%
KAISER Choices	No Co-pay	1	\$233.92	Not Available	
		2	\$467.84		
		3	\$542.69		
	\$5 Co-pay	1	\$224.80	\$264.59	17.7%
		2	\$449.60	\$529.18	17.7%
		3	\$521.54	\$613.85	17.7%
KAISER Options	No Co-pay	1	\$227.39	Not Available	
		2	\$457.78		
		3	\$530.46		
	\$5 Co-pay	1	\$218.29	\$257.56	18.0%
		2	\$439.58	\$518.12	17.9%
		3	\$509.35	\$600.46	17.9%
PACIFICARE	Low Option HMO	1	\$190.94	Not Available	
		2	\$389.17		
		3	\$449.38		
	\$5 Co-Pay HMO (Replaces High Option HMO)	1	\$208.69	\$230.11	10.3%
		2	\$425.45	\$467.98	10.0%
		3	\$490.91	\$541.52	10.3%
	PPO (Replaces POS)	1	\$380.19	\$470.64	23.8%
		2	\$771.78	\$954.01	23.6%
		3	\$892.59	\$1104.33	23.7%

<sup>a</sup> 1 = Employee only

2 = Employee + 1 Dependent

3 = Employee + 2 or more Dependents

<sup>b</sup> Kaiser and CIGNA no co-pay plans and PacificCare High and Low Option HMO and POS plans discontinued in 2003.

<sup>c</sup> Rates for Kaiser (Options Plan) and PacificCare reflect current negotiated County subsidies.



**COUNTY-SPONSORED  
MEDICAL AND DENTAL INSURANCE PLANS  
FOR REPRESENTED EMPLOYEES  
CURRENT 2002 RATES AND PROPOSED 2003 RATES**

Plan	Option	Coverage Category <sup>a</sup>	Current 2002 Rates	Proposed 2003 Rates	Percentage Change
DELTA DENTAL <sup>b</sup> Choices		1	\$ 39.00	\$ 26.00	-33.3%
		2	\$ 47.00	\$ 43.00	-8.5%
		3	\$ 65.00	\$ 65.00	0.0%
DELTA DENTAL <sup>b</sup> Options		1	\$ 45.00	\$ 30.00	-33.3%
		2	\$ 55.00	\$ 50.00	-9.1%
		3	\$ 75.00	\$ 75.00	0.0%
DELTACARE PMI Choices & Options		1	\$ 11.83	\$ 11.83	0.0%
		2	\$ 19.51	\$ 19.51	0.0%
		3	\$ 28.85	\$ 28.85	0.0%
SAFEGUARD <sup>c</sup> Choices & Options		1	\$ 9.52	\$ 9.45	-0.7%
		2	\$ 18.29	\$ 18.22	-0.4%
		3	\$ 23.81	\$ 23.74	-0.3%

<sup>a</sup> 1 = Employee only  
2 = Employee + 1 Dependent  
3 = Employee + Family

<sup>b</sup>Rates reflect County subsidy

<sup>c</sup>Safeguard rates for 2003 reflect credit adjustment of \$0.07

**COUNTY-SPONSORED  
MEDICAL PLANS AND DENTAL PLANS  
FOR NON-REPRESENTED EMPLOYEES  
CURRENT 2002 RATES AND PROPOSED 2003 RATES**

Plan	Option	Coverage Category <sup>a</sup>	Current 2002 Rates <sup>b</sup>	Proposed 2003 Rates <sup>b</sup>	Percentage Change
BLUE CROSS	California Care HMO	1	\$167.93	\$176.33	5.0%
		2	\$328.09	\$344.49	5.0%
		3	\$344.71	\$361.95	5.0%
		4	\$389.48	\$408.95	5.0%
	PLUS POS	1	\$235.10	\$246.86	5.0%
		2	\$470.20	\$493.71	5.0%
		3	\$483.20	\$507.36	5.0%
		4	\$539.53	\$566.51	5.0%
	Catastrophic	1	\$141.00	\$141.00	0.0%
		2	\$281.00	\$281.00	0.0%
		3	\$284.00	\$284.00	0.0%
		4	\$331.00	\$331.00	0.0%
	Prudent Buyer PPO	1	\$292.00	\$306.60	5.0%
		2	\$539.00	\$565.95	5.0%
		3	\$561.00	\$589.05	5.0%
		4	\$648.00	\$680.40	5.0%
KAISER Flex/MegaFlex	Co-pay	1	\$164.50	\$176.33	7.2%
		2	\$321.92	\$344.49	7.0%
		3	\$338.05	\$361.95	7.1%
		4	\$386.90	\$408.95	5.7%
DELTA DENTAL Flex & MegaFlex		1	\$ 39.00	\$ 26.00	-33.3%
		2	\$ 42.00	\$ 38.00	-9.5%
		3	\$ 47.00	\$ 43.00	-8.5%
		4	\$ 65.00	\$ 65.00	0.0%
DELTACARE PMI Flex & MegaFlex		1	\$ 11.83	\$ 11.83	0.0%
		2	\$ 20.29	\$ 20.29	0.0%
		3	\$ 20.43	\$ 20.43	0.0%
		4	\$ 29.44	\$ 29.44	0.0%
SAFEGUARD Flex & MegaFlex		1	\$ 9.52	\$ 9.52	0.0%
		2	\$ 17.76	\$ 17.76	0.0%
		3	\$ 20.00	\$ 20.00	0.0%
		4	\$ 26.09	\$ 26.09	0.0%

<sup>a</sup> 1 = Employee only

2 = Employee + Child(ren)

3 = Employee + Spouse

4 = Employee + Spouse + Child(ren)

<sup>b</sup> Rates reflect County subsidy, if applicable

**PROPOSED CHANGES IN CO-PAY AND DEDUCTIBLE REQUIREMENTS AFFECTING  
NON-REPRESENTED EMPLOYEES**

Health Plan	Issue	Current Co-Pay/Deductible	Proposed Co-pay/Deductible
Kaiser	Office visit co-pay	\$10 per visit	\$15 per visit
Kaiser	Drug co-pay	\$10 per prescription	\$10 per prescription for generic drugs and \$15 for brand name drugs
Blue Cross HMO	Office visit co-pay	\$10 per visit	\$15 per visit
Blue Cross Catastrophic Plan	Annual deductible	\$1,500 per individual but not more than \$3,000 per family	\$2,000 per individual but not more than \$4,000 per family

**LIFE, ACCIDENTAL DEATH AND DISMEMBERMENT  
AND SURVIVOR INCOME BENEFIT PROGRAMS  
CURRENT 2002 RATES AND PROPOSED 2003 RATES**

		<b>Monthly Cost per \$1000 of Insurance</b>	
		<b><u>2002</u></b>	<b><u>2003</u></b>
<b>COUNTY-PAID BASIC GROUP TERM LIFE INSURANCE</b>		\$0.23	\$0.23
<b>OPTIONAL GROUP TERM LIFE INSURANCE</b>			
<b>Employee:</b>	<b><u>Age</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>
The monthly premium per \$1000 of insurance is based on employee's age as shown in the following table:			
	Less than 30	\$0.05	\$0.05
	30-34	\$0.07	\$0.07
	35-39	\$0.10	\$0.10
	40-44	\$0.12	\$0.12
	45-49	\$0.19	\$0.19
	50-54	\$0.30	\$0.30
	55-59	\$0.47	\$0.47
	60-64	\$0.73	\$0.73
	65-69	\$1.07	\$1.07
	70 and over	\$2.06	\$2.06
<b>Dependent Life Insurance:</b>		<b><u>2002</u></b>	<b><u>2003</u></b>
Cost per month, no matter how many eligible dependents he/she may have:		\$1.24	\$1.24

**LIFE, ACCIDENTAL DEATH AND DISMEMBERMENT  
AND SURVIVOR INCOME BENEFIT PROGRAMS  
CURRENT 2002 RATES AND PROPOSED 2003 RATES**

**OPTIONAL ACCIDENTAL DEATH & DISMEMBERMENT INSURANCE – Cost per Month**

<u>Employee Coverage</u>	<u>Current 2002 Rates</u>		<u>Proposed 2003 Rates</u>	
	<u>Employee Only Plan G</u>	<u>Employee &amp; Dependents Plan H</u>	<u>Employee Only Plan G</u>	<u>Employee &amp; Dependents Plan H</u>
\$ 10,000	\$0.18	\$0.29	\$0.18	\$0.29
\$ 25,000	\$0.45	\$0.73	\$0.45	\$0.73
\$ 50,000	\$0.90	\$1.45	\$0.90	\$1.45
\$100,000	\$1.80	\$2.90	\$1.80	\$2.90
\$150,000	\$2.70	\$4.35	\$2.70	\$4.35
\$200,000	\$3.60	\$5.80	\$3.60	\$5.80
\$250,000	\$4.50	\$7.25	\$4.50	\$7.25
\$300,000	\$5.40	\$8.70	\$5.40	\$8.70
\$350,000	\$6.30	\$10.15	\$6.30	\$10.15

These figures apply regardless of employee's age. If Plan H is selected, all eligible dependents will be insured automatically.

**SURVIVOR INCOME BENEFIT – For MegaFlex participants enrolled in Retirement Plan E**

<u>Employee Age</u>	<u>Current 2002 Rates</u>		<u>Proposed 2003 Rates</u>	
	<u>Employee Cost* (25% Option)</u>	<u>Employee Cost* (50% Option)</u>	<u>Employee Cost* (25% Option)</u>	<u>Employee Cost* (50% Option)</u>
Under 30	0.156%	0.300%	0.156%	0.300%
30 to 34	0.192%	0.396%	0.192%	0.396%
35 to 39	0.252%	0.516%	0.252%	0.516%
40 to 44	0.360%	0.708%	0.360%	0.708%
45 to 49	0.480%	0.960%	0.480%	0.960%
50 to 54	0.636%	1.272%	0.636%	1.272%
55 to 59	0.912%	1.836%	0.912%	1.836%
60 to 64	1.248%	2.496%	1.248%	2.496%
65 to 69	1.716%	3.432%	1.716%	3.432%
70 and over	3.048%	6.096%	3.048%	6.096%

\*Employee Cost is expressed as a percentage of regular monthly salary and is half of the actual premium. The County pays the other 50%.

**SHORT-TERM DISABILITY AND  
LONG-TERM DISABILITY HEALTH INSURANCE  
CURRENT 2002 RATES AND PROPOSED 2003 RATES**

**SHORT-TERM DISABILITY PLAN**

**Employee Cost as a Percentage of Monthly Salary:**

<u>Income Replacement</u>	<u>Current 2002 Rates</u>			<u>Proposed 2003 Rates</u>		
	<u>30 Days*</u>	<u>14 Days*</u>	<u>7 Days*</u>	<u>30 Days*</u>	<u>14 Days*</u>	<u>7 Days*</u>
40%	0.000%	0.067%	0.110%	0.000%	0.067%	0.110%
60%	0.241%	0.340%	0.429%	0.241%	0.340%	0.429%
70%	0.463%	0.588%	0.709%	0.463%	0.588%	0.709%

\* Indicates length of waiting period.

**LONG-TERM DISABILITY HEALTH INSURANCE - Cost per month**

**Current 2002 Rates**

**\$4.25**

**Proposed 2003 Rate**

**\$4.25**

## PacifiCare HMO Proposed 2003 Plan Design

Benefit	Proposed
Calendar Year Deductible	None
Annual Maximum Out-of-Pocket Expenses	\$1,000/person \$2,000/family
Lifetime Maximum Benefit	Unlimited

HMO Inpatient Benefits	Proposed
Mental Health/Substance Abuse	Mental Health: No Charge, up to 30 days per calendar year. Substance Abuse: 80% up to \$8,000 maximum per course of treatment maximum, combined with outpatient
Bone marrow transplants	No Charge; donor searches limited to \$10,000 or 50 searches per lifetime
Other transplant coverage	No Charge; excludes experimental and investigational
Hospice Care	No Charge
Hospital Benefits – includes blood, blood products, blood plasma, derivatives, factors & administration	No Charge – autologous (self-donated) blood up to \$120 per unit
Surgery	No Charge
Mastectomy/Breast Reconstruction	No Charge – after mastectomy & complications from mastectomy
Maternity Care	No Charge
Newborn Care	No Charge
Physician Care	No Charge
Reconstructive Surgery	No Charge
Rehabilitation Care	No Charge
Skilled Nursing Care	No Charge – up to 60 days per condition
Voluntary Interruption of Pregnancy	Voluntary and Therapeutic Interruption of Pregnancy: No Charge

# PacifiCare HMO Proposed 2003 Plan Design

EXHIBIT V

Page 2 of 6

HMO Outpatient Benefits	Proposed
Regular Office Visits	\$5 copayment
X-ray & Lab	No charge
Prescription Drugs -- Retail	\$5/\$10 copayment, subject to formulary, up to 30-day supply
Prescription Drugs -- Mail Order	\$10/\$20 copayment, subject to formulary, up to 90-day supply
Maternity Care, Tests & Procedures	No charge
Surgery	No charge
Emergency Care	\$50 copayment, waived if admitted
Ambulance	No charge if medically necessary
Urgent Needed Services	\$40 copayment, waived if admitted
Durable Medical Equipment, corrective Appliances & Prosthetics	No charge
Home Health Care -- Includes physical, occupational & speech therapy & multi-disciplinary	\$5 copayment
Hospice Care	No charge
Periodic Health Evaluations	\$5 copayment
Well Baby Care (up to 2 years)	No charge
Well Woman Care	\$5 copayment
Mammogram	\$5 copayment
Immunization	\$5 copayment (No Charge for children under age 2)
Allergy Serum	\$5 copayment (serum is covered)
Infertility Treatment	50% - procedures with established medical practice in the treatment of fertility are covered, includes diagnosis, diagnostic tests, infertility medication & surgery; Prescription drug benefit \$5/\$10 copay for services related to contraceptives; does not cover in vitro, GIFT & ZIFT
Family Planning: Tubal Ligations Vasectomy	\$150 copayment \$75 copayment



# PacifiCare HMO Proposed 2003 Plan Design

EXHIBIT V

Page 3 of 6

HMO Outpatient Benefits	Proposed
Consultations	\$5 copayment
Voluntary Interruption of Pregnancy	Voluntary Interruption of Pregnancy: \$5 copayment Therapeutic Interruption of Pregnancy: No Charge
Acupuncture	Not covered
Physical/Speech/Cardiac Rehabilitation Therapy	\$5 copayment; unlimited visits
Chiropractic	Not covered
Vision	\$5 copayment; eye examination (1 per 12 months) @ VSP provider \$5 copayment for materials: lenses, frames and contacts (1 pair every 24 months). One materials copayment applies for glasses (lenses and frames combined) @ VSP provider
Hearing	\$5 copayment; no charge for cochlear implants
Mental Health/Substance Abuse	Mental Health: \$20 copayment per visit, up to maximum of 20 visits per calendar year Substance Abuse: 80% (up to \$2,000 max/course of treatment), Lifetime: 2 treatment maximum, combined with inpatient

# PacifiCare PPO Proposed 2003 Plan Design

EXHIBIT V

Page 4 of 6

Benefit	Proposed In-Network	Proposed Out-of-Network
Calendar Year Deductible	\$300/\$900	\$1,000/\$2,000
Annual Maximum Out-of-Pocket Expenses	\$1,500/\$4,500; excludes deductible The annual copayment maximum is combined for in- and out-of-network. Once the out-of-network annual copayment maximum has been met, no additional copayments will be required under in-network	\$6,000/\$12,000; excludes deductible The annual copayment maximum is combined for in- and out-of-network. Once the out-of-network annual copayment maximum has been met, no additional copayments will be required under in-network
Lifetime Maximum Benefit	\$2,000,000 Combined in- and out-of-network	\$2,000,000 Combined in- and out-of-network

PPO Inpatient Benefits	Proposed In-Network <sup>1</sup>	Proposed Out-of-Network <sup>1</sup>
Mental Health/Substance Abuse	20% copayment plus deductible – 30 days maximum per year combined MH/SA, maximum combined in- and out-of-network	40% copayment plus deductible – 30 days maximum per year combined MH/SA, maximum combined in- and out-of-network
Transplant coverage	20% copayment plus deductible – excludes experimental and investigational	40% copayment plus deductible – excludes experimental and investigational
Hospice Care	20% copayment plus deductible – 180 day lifetime maximum, maximum combined in- and out-of-network and combined inpatient and outpatient.	40% copayment plus deductible – 180 day lifetime maximum maximum combined in- and out-of-network and combined inpatient and outpatient.
Hospital Benefits – includes blood, blood products, blood plasma, derivatives, factors & administration	20% copayment plus deductible	40% copayment plus deductible
Surgery	20% copayment plus deductible	40% copayment plus deductible
Mastectomy/Breast Reconstruction	20% copayment plus deductible	40% copayment plus deductible
Maternity Care	20% copayment plus deductible	40% copayment plus deductible
Newborn Care	20% copayment plus deductible	40% copayment plus deductible
Physician Care	20% copayment plus deductible	40% copayment plus deductible
Reconstructive Surgery	20% copayment plus deductible	40% copayment plus deductible
Rehabilitation Care	20% copayment plus deductible, up to 30 consecutive days from first treatment/condition, maximum combined in- and out-of-network, and combined with outpatient	40% copayment plus deductible, up to 30 consecutive days from first treatment/condition, maximum combined in- and out-of-network
Skilled Nursing Care	20% copayment plus deductible – up to 30 consecutive days	40% copayment plus deductible – up to 30 consecutive days

<sup>1</sup> Preauthorization required for most services.

# PacifiCare PPO Proposed 2003 Plan Design

EXHIBIT V

Page 5 of 6

<b>PPO Inpatient Benefits</b>		<b>Proposed In-Network <sup>1</sup></b>	<b>Proposed Out-of-Network <sup>1</sup></b>
		from first treatment/condition, maximum combined in- and out-of-network	from first treatment/condition, maximum combined in- and out-of-network
Voluntary Interruption of Pregnancy		20% copayment plus deductible	40% copayment plus deductible

<b>PPO Outpatient Benefits</b>		<b>Proposed In-Network</b>	<b>Proposed Out-of-Network</b>
Regular Office Visits		20% copayment; no deductible	40% copayment plus deductible
X-ray & Lab		20% copayment; no deductible	40% copayment plus deductible
Prescription Drugs--Retail		\$5/\$10 copayment, subject to formulary, up to 30-day supply	Not covered
Prescription Drugs--Mail Order		\$10/\$20 copayment, subject to formulary, up to 90-day supply	Not covered
Maternity Care, Tests & Procedures		20% copayment plus deductible	40% copayment plus deductible
Surgery		20% copayment plus deductible	40% copayment plus deductible
Emergency Care		20% copayment plus deductible (waived if admitted)	40% copayment plus deductible (waived if admitted)
Ambulance		20% copayment plus deductible	20% copayment plus deductible
Urgent Needed Services		20% copayment; no deductible (waived if admitted)	40% copayment plus deductible
Durable Medical Equipment, corrective Appliances & Prosthetics		20% copayment plus deductible; \$2,000 maximum benefit, maximum combined in- and out-of-network	40% copayment plus deductible; \$2,000 maximum benefit, maximum combined in- and out-of-network
Home Health Care --		20% copayment plus deductible -- 100 visits per year (preauthorization required), maximum combined in- and out-of-network	40% copayment plus deductible -- 100 visits per year (preauthorization required), maximum combined in- and out-of-network
Hospice Care		20% copayment plus deductible -- 180 day lifetime maximum, maximum combined in- and out-of-network and combined inpatient and outpatient.	40% copayment plus deductible -- 180 day lifetime maximum, maximum combined in- and out-of-network and combined inpatient and outpatient.
Periodic Health Evaluations (includes Well Woman Care)		\$25 copayment; no deductible -- one exam per year	40% copayment plus deductible -- one exam per year
Well Baby Care (up to 2 years)		\$25 copayment; no deductible	40% copayment plus deductible
Mammogram		\$25 copayment; no deductible -- one per year	40% copayment plus deductible -- one per year
Immunization		\$25 copayment; no deductible -- up to age 18 (flu shots included for all ages at a \$10 copayment; no deductible)	40% copayment plus deductible -- up to age 18
Allergy Serum		\$10 copayment, no deductible	40% copayment plus deductible
Infertility Treatment		Preauthorization required for selected procedures related to infertility services below. In-network: 20% copayment plus deductible for services related to infertility diagnosis, including testing; 50% copayment plus deductible for services	No coverage

# PacifiCare PPO Proposed 2003 Plan Design

EXHIBIT V

Page 6 of 6

PPO Outpatient Benefits	Proposed In-Network	Proposed Out-of-Network
	related to infertility treatment, including medication and surgery. Excludes IVF, GIFT, ZIFT and procedures related to IVF, GIFT, ZIFT.	
Family Planning		
Tubal Ligations, Vasectomy, Consultations	20% copayment plus deductible	40% copayment plus deductible
Voluntary Interruption of Pregnancy	20% copayment plus deductible	40% copayment plus deductible
Acupuncture	No coverage	No coverage
Physical/Speech/Cardiac Rehabilitation Therapy	20% copayment, no deductible, 30 visit maximum for each separate type of therapy, limit combined with inpatient (Physical: 30 visit max; Speech: 30 visit max; Cardiac: 30 visit max)	No coverage
Chiropractic	No coverage	No coverage
Vision	\$10 copayment, no deductible; eye examination (1 per 12 months) @ VSP provider \$10 copayment, no deductible for materials: lenses, frames and contacts (1 pair every 24 months). One materials copayment applies for glasses (lenses and frames combined) @ VSP provider	Coverage is limited to out-of-network reimbursement allowances
Hearing	20% copayment plus deductible	40% copayment plus deductible
Mental Health/Substance Abuse	20% copayment plus deductible - 20 visit maximum, maximum combined in- and out-of-network	40% copayment plus deductible - 20 visit maximum, maximum combined in- and out-of-network

**UNION-SPONSORED  
MEDICAL AND DENTAL INSURANCE PLANS  
CURRENT 2002 AND PROPOSED 2003 PREMIUM RATES**

Plan	Option	Coverage Category <sup>a</sup>	Current 2002 Rates	Proposed 2003 Rates	Percentage Change
ALADS	Prudent Buyer Plan Under Age 50	1	\$313.02	\$339.30	8.4%
		2	\$615.35	\$652.79	6.1%
		3	\$708.18	\$747.90	5.6%
	Prudent Buyer Plan Age 50 and Over	1	\$313.02	\$339.30	8.4%
		2	\$615.35	\$652.79	6.1%
		3	\$708.18	\$747.90	5.6%
	CaliforniaCare Basic Plan (All Ages)	1	\$200.11	\$245.77	22.8%
		2	\$391.20	\$470.87	20.4%
		3	\$490.72	\$587.09	19.6%
CAPE	Prudent Buyer Premier Plan Under Age 50	1	\$376.18	\$408.59	8.6%
		2	\$678.51	\$722.08	6.4%
		3	\$771.34	\$817.19	5.9%
	Prudent Buyer Premier Plan Age 50 and Over	1	\$376.18	\$408.59	8.6%
		2	\$678.51	\$722.08	6.4%
		3	\$771.34	\$817.19	5.9%
	CaliforniaCare Premier Plan (all ages)	1	\$263.27	\$315.06	19.7%
		2	\$454.36	\$540.16	18.9%
		3	\$553.88	\$656.38	18.5%
	Classic	1	\$271.00	\$305.00	12.5%
		2	\$552.00	\$615.00	11.4%
		3	\$765.00	\$797.00	4.2%
	Lite	1	\$212.00	\$225.00	6.1%
		2	\$432.00	\$455.00	5.3%
		3	\$589.00	\$589.00	0.0%
FIRE FIGHTERS LOCAL 1014		1	\$285.53	\$302.00	5.8%
		2	\$555.00	\$588.00	5.9%
		3	\$638.51	\$693.51	8.6%



July 12, 2002

Marian Hall  
Human Resources Manager  
Employee Benefits-Deferred Income Division  
County of Los Angeles  
Department of Human Resources  
3333 Wilshire Boulevard  
Los Angeles, CA 90010

Re: 2003 RENEWAL - CAPE/BLUE SHIELD MEDICAL PLANS

Dear Ms. Hall:

This letter is to advise you of the CAPE Benefit Trust Trustees' approval of the renewal of Blue Shield's contracts for the year 2003 CAPE/Blue Shield Classic and Lite medical plans. Attached please find the benefit structures and rates for both plans.

The following changes have been made to the plans:

**Lite**

	<b>HMO</b>	<b>PPO NETWORK</b>	<b>OUT-OF-NETWORK</b>
<b>Maximum Annual Out-of-Pocket</b>	Change from \$1,500 per person/\$3,000 per family to \$2,000/\$4,000	Change from \$2,000 per person/\$4,000 per family to \$4,000/\$8,000	Change from \$5,000 per person/\$10,000 per family to \$6,000/\$12,000
<b>Doctor Office Visits</b>	N/C	Change from \$20 copay to \$25 copay	N/C
<b>Prescription Drugs</b>	Change from \$5 (generic), \$10 (brand), \$25 (non-formulary) to \$10/\$15/\$30	Change from \$5 (generic), \$10 (brand), \$25 (non-formulary) to \$10/\$15/\$30	N/C
<b>Mental Health - Outpatient: All coverage through Magellan/Vista cancelled, coverage now provided by United Behavioral Health</b>	Change from tiered copays to \$10 copay for initial visit, \$50 thereafter for non-severe psychiatric care, maximum 20 combined visits/calendar year; \$10 copay for severe mental illness	Change from tiered copays to \$10 copay for initial visit, \$50 thereafter for non-severe psychiatric care, maximum 20 combined visits/calendar year; \$10 copay for severe mental illness	Change from tiered copays to 50% after deductible for non-severe psychiatric care, maximum 20 combined visits/calendar year; 60% after deductible for severe mental illness

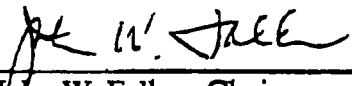
## Classic

	HMO	PPO NETWORK	OUT-OF-NETWORK
<b>Calendar Year Deductible</b>	N/C	Change from \$250 per person/\$500 per family to \$300/\$600	Change from \$250 per person/\$500 per family to \$300/\$600
<b>Maximum Annual Out-of-Pocket</b>	Change from \$1,500 per person/\$3,000 per family to \$2,000/\$4,000	Change from \$2,000 per person/\$4,000 per family to \$4,000/\$8,000	Change from \$5,000 per person/\$10,000 per family to \$6,000/\$12,000
<b>Doctor Office Visits</b>	Change from \$5 copay to \$10 copay	Change from \$15 copay to \$20 copay	N/C
<b>Prescription Drugs</b>	Change from \$5 (generic), \$10 (brand), \$25 (non-formulary) to \$10/\$15/\$30	Change from \$5 (generic), \$10 (brand), \$25 (non-formulary) to \$10/\$15/\$30	N/C
<b>Mental Health – Outpatient:</b> All coverage through Magellan/Vista cancelled, coverage now provided by United Behavioral Health	Change from tiered copays to \$10 copay for initial visit, \$50 thereafter for non-severe psychiatric care, maximum 20 combined visits/calendar year; \$10 copay for severe mental illness	Change from tiered copays to \$10 copay for initial visit, \$50 thereafter for non-severe psychiatric care, maximum 20 combined visits/calendar year; \$10 copay for severe mental illness	Change from tiered copays to 50% after deductible for non-severe psychiatric care, maximum 20 combined visits/ calendar year; 70% after deductible for severe mental illness
<b>Chiropractic Care</b>	Change from \$5 copay for unlimited visits to \$10 copay, maximum 40 combined visits/calendar year	Change from \$5 copay for unlimited visits to \$10 copay, maximum 40 combined visits/calendar year	N/C

Please forward the 2003 CAPE/Blue Shield medical plans information to the Board of Supervisors for their timely approval.

Sincerely,

CALIFORNIA ASSOCIATION OF  
PROFESSIONAL EMPLOYEES BENEFIT TRUST

  
\_\_\_\_\_  
John W. Fallon, Chair  
Board of Trustees

Enclosures

## 2003 CAPE/Blue Shield Life Plan

(800) 487-3091 [www.mylifepath.com](http://www.mylifepath.com)

BENEFITS	PRIMARY CARE NETWORK (BMO)	IN-NETWORK (PPO)	(Reimbursement)
Type of Plan	A Point of Service Plan		
Who is Eligible	All Participants	All Participants	All Participants
Calendar Year Deductible	None	\$500 per person; \$1,000 per family maximum (combined In-Network and Out-of-Network)	\$500 per person; \$1,000 per family maximum (combined In-Network and Out-of-Network)
Maximum Annual Out-of-pocket Expenses	You pay a maximum of \$2,000 per person, \$4,000 per family	After deductible, you pay a maximum of \$4,000 per person; \$8,000 per family (combined In-Network and Out-of-Network, copayments do not apply)	After deductible, you pay a maximum of \$4,000 per person; \$8,000 per family (combined In-Network and Out-of-Network, copayments do not apply)
Lifetime Maximum Benefit	Unlimited	\$2,000,000 (combined In-Network and Out-of-Network)	\$2,000,000 (combined In-Network and Out-of-Network)
<b>PREVENTIVE CARE</b>			
Immunizations	100%; no copayment	Not covered	Not covered
Periodic Health Exams	100%; no copayment (including Well Woman Exam, Pap Smear, and Mammography)	Routine physicals not covered. Well Woman Exam 100% after \$25 copayment; tests 80% no deductible	Not covered
Vision Care	Up to age 18 screenings only; 100%	Not covered	Not covered
<b>MEDICALLY NECESSARY CARE</b>			
Ambulance	100% after \$50 copayment	80% after deductible	80% after deductible
Doctor Office Visits	100% after \$10 copayment	100% after \$25 copayment for consultation only (not subject to deductible)	60% after deductible
Emergency Room	100% after \$50 copayment (waived if admitted)	100% after \$50 copayment (waived if admitted-not subject to deductible)	100% after \$50 copayment (waived if admitted-not subject to deductible)
Hospital Care	100%; no copayment	80% after deductible	60% after deductible
Maternity	100%; no copayment	100% after \$25 copay/visit for consultation only (not subject to deductible)	60% after deductible
Surgery	100%; no copayment (outpatient \$75 copayment)	80% after deductible	60% after deductible
X-Ray & Lab Tests	100%; no copayment	80% after deductible	60% after deductible
Prescription Drugs	\$10 (generic), \$15 (brand name), \$30 (nonformulary-requires preapproval)	\$10 (generic), \$15 (brand name), \$30 (nonformulary-requires preapproval)	Covered for emergency
<b>MENTAL HEALTH CARE</b>			
Mental Health-Outpatient	Provided by UBH, must be arranged through the MHSA; 100% after \$10 copayment for initial visit, \$50 copayment thereafter for non-severe psychiatric care, Maximum 20 combined visits per calendar year; 100% after \$10 copayment for severe mental illness	Not Applicable	50% after deductible, Maximum 20 combined visits per calendar year; 60% after deductible
Mental Health-Inpatient	100%; no copayment - Provided by UBH, must be arranged through MHSA; Prior authorization required for non-emergency	Not Applicable	60% after deductible
<b>OTHER PLAN BENEFITS</b>			
Chiropractic Care	Provided only through American Specialty Health Plan; 100% after \$15 copayment; maximum 30 combined visits per calendar year (based on medical necessity); includes acupuncture	Provided only through American Specialty Health Plan; 100% after \$15 copayment; maximum 30 combined visits per calendar year (based on medical necessity); includes acupuncture	Not covered
Home Health Care	100% after \$10 copayment (combined 100 visits per calendar year)	80% after deductible (combined 100 visits per calendar year)	60% after deductible (combined 100 visits per calendar year)
Hospice Care	100% when provided by authorized hospice agency	100% when provided by authorized hospice agency	Not covered unless authorized
Physical Therapy	100% after \$10 copayment	80% after deductible	60% after deductible
Skilled Nursing Facility	100%; no copayment (combined 100 days per calendar year)	80% after deductible (combined 100 days per calendar year)	60% after deductible (combined 100 days per calendar year)

### 2003 Rates:

Employee Only	\$225.00
Employee + 1	\$455.00
Employee + 2 or more	\$589.00



# 2003 CAPE/Blue Shield

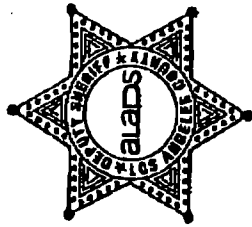
## Classic Plan

(800) 487-3992 www.mylifepath.com

BENEFITS		PRIMARY CARE NETWORK (PCNO)		IN-NETWORK (PPO)		OUT-OF-NETWORK	
Type of Plan	Who is Eligible	All Participants	All Participants	All Participants	All Participants	All Participants	All Participants
Calendar Year Deductible	None	\$300 per person; \$600 per family maximum (combined In-Network and Out-of-Network)	\$300 per person; \$600 per family maximum (combined In-Network and Out-of-Network)	\$300 per person; \$600 per family maximum (combined In-Network and Out-of-Network)	\$300 per person; \$600 per family maximum (combined In-Network and Out-of-Network)	\$300 per person; \$600 per family maximum (combined In-Network and Out-of-Network)	\$300 per person; \$600 per family maximum (combined In-Network and Out-of-Network)
Maximum Annual Out-of-pocket Expenses	You pay a maximum of \$2,000 per person, \$4,000 per family	\$4,000 per person; \$8,000 per family (combined In-Network and Out-of-Network; copayments do not apply)	\$4,000 per person; \$8,000 per family (combined In-Network and Out-of-Network; copayments do not apply)	\$4,000 per person; \$8,000 per family (combined In-Network and Out-of-Network; copayments do not apply)	\$4,000 per person; \$8,000 per family (combined In-Network and Out-of-Network; copayments do not apply)	\$4,000 per person; \$8,000 per family (combined In-Network and Out-of-Network; copayments do not apply)	\$4,000 per person; \$8,000 per family (combined In-Network and Out-of-Network; copayments do not apply)
Lifetime Maximum Benefit	Unlimited	\$2,000,000 (combined In-Network and Out-of-Network)	\$2,000,000 (combined In-Network and Out-of-Network)	\$2,000,000 (combined In-Network and Out-of-Network)	\$2,000,000 (combined In-Network and Out-of-Network)	\$2,000,000 (combined In-Network and Out-of-Network)	\$2,000,000 (combined In-Network and Out-of-Network)
PREVENTIVE CARE							
Immunizations	100%; no copayment	100%; no copayment	100%; no copayment	100%; no copayment	100%; no copayment	100%; no copayment	100%; no copayment
Periodic Health Exams	100%; no copayment (including Well Woman Exam, Pap Smear, and Mammography)	100%; no copayment (including Well Woman Exam, Pap Smear, and Mammography)	100%; no copayment (including Well Woman Exam, Pap Smear, and Mammography)	100%; no copayment (including Well Woman Exam, Pap Smear, and Mammography)	100%; no copayment (including Well Woman Exam, Pap Smear, and Mammography)	100%; no copayment (including Well Woman Exam, Pap Smear, and Mammography)	100%; no copayment (including Well Woman Exam, Pap Smear, and Mammography)
Vision Care	Up to age 18 screenings only; 100%	Up to age 18 screenings only; 100%	Up to age 18 screenings only; 100%	Up to age 18 screenings only; 100%	Up to age 18 screenings only; 100%	Up to age 18 screenings only; 100%	Up to age 18 screenings only; 100%
MEDICALLY NECESSARY CARE							
Ambulance	100% after \$50 copayment	100% after \$50 copayment	100% after \$50 copayment	100% after \$50 copayment	100% after \$50 copayment	100% after \$50 copayment	100% after \$50 copayment
Doctor Office Visits	100% after \$10 copayment	100% after \$10 copayment	100% after \$10 copayment	100% after \$10 copayment	100% after \$10 copayment	100% after \$10 copayment	100% after \$10 copayment
Emergency Room	100% after \$50 copayment (waived if admitted)	100% after \$50 copayment (waived if admitted)	100% after \$50 copayment (waived if admitted)	100% after \$50 copayment (waived if admitted)	100% after \$50 copayment (waived if admitted)	100% after \$50 copayment (waived if admitted)	100% after \$50 copayment (waived if admitted)
Hospital Care	100%; no copayment	100%; no copayment	100%; no copayment	100%; no copayment	100%; no copayment	100%; no copayment	100%; no copayment
Maternity	100%; no copayment	100%; no copayment	100%; no copayment	100%; no copayment	100%; no copayment	100%; no copayment	100%; no copayment
Surgery	100%; no copayment (outpatient \$50 copayment)	100%; no copayment (outpatient \$50 copayment)	100%; no copayment (outpatient \$50 copayment)	100%; no copayment (outpatient \$50 copayment)	100%; no copayment (outpatient \$50 copayment)	100%; no copayment (outpatient \$50 copayment)	100%; no copayment (outpatient \$50 copayment)
X-Ray & Lab Tests	100%; no copayment	100%; no copayment	100%; no copayment	100%; no copayment	100%; no copayment	100%; no copayment	100%; no copayment
Prescription Drugs	\$10 (generic), \$15 (brand name), \$30 (nonformulary-requires preapproval)	\$10 (generic), \$15 (brand name), \$30 (nonformulary-requires preapproval)	\$10 (generic), \$15 (brand name), \$30 (nonformulary-requires preapproval)	\$10 (generic), \$15 (brand name), \$30 (nonformulary-requires preapproval)	\$10 (generic), \$15 (brand name), \$30 (nonformulary-requires preapproval)	\$10 (generic), \$15 (brand name), \$30 (nonformulary-requires preapproval)	\$10 (generic), \$15 (brand name), \$30 (nonformulary-requires preapproval)
MENTAL HEALTH CARE							
Mental Health-Outpatient	Provided by UBH, must be arranged through the MISA; 100% after \$10 copayment for initial visit, \$30 copayment thereafter for non-severe psychiatric care, Maximum 20 combined visits per calendar year; 100% after \$10 copayment for severe mental illness	Provided by UBH, must be arranged through the MISA; 100% after \$10 copayment for initial visit, \$30 copayment thereafter for non-severe psychiatric care, Maximum 20 combined visits per calendar year; 100% after \$10 copayment for severe mental illness	Provided by UBH, must be arranged through the MISA; 100% after \$10 copayment for initial visit, \$30 copayment thereafter for non-severe psychiatric care, Maximum 20 combined visits per calendar year; 100% after \$10 copayment for severe mental illness	Provided by UBH, must be arranged through the MISA; 100% after \$10 copayment for initial visit, \$30 copayment thereafter for non-severe psychiatric care, Maximum 20 combined visits per calendar year; 100% after \$10 copayment for severe mental illness	Provided by UBH, must be arranged through the MISA; 100% after \$10 copayment for initial visit, \$30 copayment thereafter for non-severe psychiatric care, Maximum 20 combined visits per calendar year; 100% after \$10 copayment for severe mental illness	Provided by UBH, must be arranged through the MISA; 100% after \$10 copayment for initial visit, \$30 copayment thereafter for non-severe psychiatric care, Maximum 20 combined visits per calendar year; 100% after \$10 copayment for severe mental illness	Provided by UBH, must be arranged through the MISA; 100% after \$10 copayment for initial visit, \$30 copayment thereafter for non-severe psychiatric care, Maximum 20 combined visits per calendar year; 100% after \$10 copayment for severe mental illness
Mental Health-Inpatient	100%; no copayment - Provided by UBH, must be arranged through MISA; Prior authorization required for non-emergency	100%; no copayment - Provided by UBH, must be arranged through MISA; Prior authorization required for non-emergency	100%; no copayment - Provided by UBH, must be arranged through MISA; Prior authorization required for non-emergency	100%; no copayment - Provided by UBH, must be arranged through MISA; Prior authorization required for non-emergency	100%; no copayment - Provided by UBH, must be arranged through MISA; Prior authorization required for non-emergency	100%; no copayment - Provided by UBH, must be arranged through MISA; Prior authorization required for non-emergency	100%; no copayment - Provided by UBH, must be arranged through MISA; Prior authorization required for non-emergency
OTHER PLAN BENEFITS							
Chiropractic Care	Provided only through American Specialty Health Plan; 100% after \$10 copayment; maximum 40 combined visits per calendar year (based on medical necessity); includes acupuncture	Provided only through American Specialty Health Plan; 100% after \$10 copayment; maximum 40 combined visits per calendar year (based on medical necessity); includes acupuncture	Provided only through American Specialty Health Plan; 100% after \$10 copayment; maximum 40 combined visits per calendar year (based on medical necessity); includes acupuncture	Provided only through American Specialty Health Plan; 100% after \$10 copayment; maximum 40 combined visits per calendar year (based on medical necessity); includes acupuncture	Provided only through American Specialty Health Plan; 100% after \$10 copayment; maximum 40 combined visits per calendar year (based on medical necessity); includes acupuncture	Provided only through American Specialty Health Plan; 100% after \$10 copayment; maximum 40 combined visits per calendar year (based on medical necessity); includes acupuncture	Provided only through American Specialty Health Plan; 100% after \$10 copayment; maximum 40 combined visits per calendar year (based on medical necessity); includes acupuncture
Home Health Care	100% after \$10 copayment (combined 100 visits per calendar year)	100% after \$10 copayment (combined 100 visits per calendar year)	100% after \$10 copayment (combined 100 visits per calendar year)	100% after \$10 copayment (combined 100 visits per calendar year)	100% after \$10 copayment (combined 100 visits per calendar year)	100% after \$10 copayment (combined 100 visits per calendar year)	100% after \$10 copayment (combined 100 visits per calendar year)
Hospice Care	100% when provided by authorized hospice agency	100% when provided by authorized hospice agency	100% when provided by authorized hospice agency	100% when provided by authorized hospice agency	100% when provided by authorized hospice agency	100% when provided by authorized hospice agency	100% when provided by authorized hospice agency
Physical Therapy	100% after \$10 copayment	100% after \$10 copayment	100% after \$10 copayment	100% after \$10 copayment	100% after \$10 copayment	100% after \$10 copayment	100% after \$10 copayment
Skilled Nursing Facility	100%; no copayment (combined 100 days per calendar year)	100%; no copayment (combined 100 days per calendar year)	100%; no copayment (combined 100 days per calendar year)	100%; no copayment (combined 100 days per calendar year)	100%; no copayment (combined 100 days per calendar year)	100%; no copayment (combined 100 days per calendar year)	100%; no copayment (combined 100 days per calendar year)

### 2003 Rates:

Employee Only	\$305.00
Employee + 1	\$615.00
Employee + 2 or more	\$797.00



ASSOCIATION  
FOR  
**LOS ANGELES DEPUTY SHERIFFS, INC.**

828 W. WASHINGTON BLVD.  
LOS ANGELES, CALIFORNIA 90015-3310  
(213) 749-1020  
FAX (213) 747-2705

Page 2 of 8

**BOARD OF DIRECTORS**

ROY BURNS  
PRESIDENT  
JOHN STANLEY  
VICE PRESIDENT  
STEVEN REMIGE  
SECRETARY  
E. MYRTLE WILLIAMS  
TREASURER  
PETE BRODIE  
FLOYD HAYHURST  
ARMANDO MACIAS

August 16, 2002

Mr. Michael J. Henry, Director  
County of Los Angeles  
Hall of Administration, Room 579  
500 West Temple Street  
Los Angeles, California 90012

Attention: Ms. Marian Hall  
Human Resources Manager  
Employee Benefits - Deferred Income Division  
County of Los Angeles  
3333 Wilshire Boulevard, Tenth Floor  
Los Angeles, California 90010

**RE: ALADS/BLUE CROSS 2003 HEALTHCARE PLAN PREMIUMS**

Dear Ms. Hall:

As requested, the monthly premium rates for the ALADS Blue Cross Prudent Buyer and CaliforniaCare medical plans for the 2003 plan year are:

Plan	Coverage	2003 Rates
Prudent Buyer Basic	EE	339.30
	EE+1	652.79
	EE+2	747.90
Prudent Buyer Premier	EE	408.59
	EE+1	722.08
	EE+2	817.19

Ms. Marian Hall  
August 16, 2002  
Page 2

Added benefit, beginning January 1, 2003:

Preventive periodic Health Exam/Body Scan for one family member per year - covered at 100%, up to \$500 maximum.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bud Treece".

Bud Treece  
Executive Director

BT:sg

**LOS ANGELES COUNTY FIRE FIGHTERS****LOCAL 1014 HEALTH AND WELFARE PLAN**

3460 FLETCHER AVENUE • EL MONTE, CALIFORNIA 91731  
(310) 639-1014 (800) 860-1014 (within California)



*Celebrating  
a Half Century of Unity*

July 24, 2002

Marion L. Hall  
Human Resources Manager  
County of Los Angeles Department of Human Resources  
3333 Wilshire Blvd., Suite #1000  
Los Angeles, CA 90010-4101

Dear Ms. Hall:

By order of the Board of Trustees on July 24, 2002, the Local 1014 Health and Welfare Plan adopted the following premium rates for the year 2003:


Member only	\$302.00
Member + one	\$588.00
Member + two or more	\$693.51

Benefit changes are as follows:

1. Generic co-pay from \$5.00 to \$10.00; Brand name co-pay where NO generic available from \$10.00 to \$20.00, when generic IS available but the brand name is used from \$15.00 and the difference between generic and brand name to \$30.00 plus the difference between generic and brand name cost.
2. Mail order for maintenance drugs increased from 60 day supply to 90 day Supply.
3. Add a 20% coinsurance charge to the infertility benefit.
4. Cover universal colonoscopy for age 50 and over as per Plan requirements.
5. Add surgical weight loss benefit of 50% of charges up to \$30,000.00 lifetime after deductible and as per Plan requirements.


All other benefits remain the same for the year 2003.

Sincerely,

  
HERBERT H. SCHISLER  
Plan Administrator

HHS/cv

Received by


 Date 7/25/02

## ANALYSIS

This ordinance amends Title 5 – Personnel, of the Los Angeles County Code by:

- Adjusting the nonelective contribution rate for the Flexible Benefit Plan and the Nonpensionable Flexible Benefit Plan for the 2003 Plan Year, and deleting outdated provisions.

LLOYD W. PELLMAN  
County Counsel

By   
LESTER J. TOLNAI  
Principal Deputy County Counsel  
Management Services Division

LJT:mag

09/06/02 (requested)  
09/10/02 (revised)

**ORDINANCE NO. \_\_\_\_\_**

An ordinance amending Title 5 – Personnel, of the Los Angeles County Code, relating to Flexible Benefit Plan and Nonpensionable Flexible Benefit Plan of Los Angeles County.

The Board of Supervisors of the County of Los Angeles ordains as follows:

**SECTION 1.** Section 5.27.040 is hereby amended to read as follows:

**5.27.040 Contributions.**

A. Nonelective Contributions. Except as otherwise provided herein, each month the County shall contribute to the Plan on behalf of each Participant an amount equal to the greater of ~~\$489.00~~\$534.00 or 10.0 percent of such Participant's Compensation for the preceding month during the ~~1999~~2000, 2001, and 2002 Plan Years and an amount equal to the greater of ~~\$534.00~~\$559.00 or 10.0 percent of such Participant's Compensation for the preceding month beginning the ~~2000~~2003 Plan Year; provided, however, that no Nonelective Contribution shall be contributed for any Participant if he has not been in a pay status for at least eight hours during the prior month. Nonelective Contributions shall be reflected in County payroll warrants issued on or about the fifteenth day of the month following the month in which the requisite pay status was completed.

B. Elective Contributions. Each Eligible Employee prior to commencing his participation in the Plan and each Participant prior to the beginning of a Plan Year may irrevocably elect to have an additional dollar amount contributed by the County during a Plan Year for each month that he participates in the Plan as an Elective Contribution, not to exceed his Eligible Earnings for such month, and to have his Eligible Earnings reduced each month by an amount equal to such Elective Contribution; provided, however, that no Elective Contribution shall be contributed for any Participant if he has not been in a pay status for at least eight hours during the prior month. Such Elective Contribution on behalf of a Participant each month shall equal the amount necessary to fund the Taxable Benefits and/or Nontaxable Benefits chosen by such Participant pursuant to the election procedure set forth in Section 5.27.060, after first applying the Nonelective Contribution for such month to the cost of such Taxable Benefits and/or Nontaxable Benefits. In the event of contractual renegotiation, change in method of funding, or substitution of a Taxable Benefit and/or Nontaxable Benefit during a Plan Year, the County, without prior notice to Participants, may automatically adjust the Elective Contributions made for, and/or the Eligible Earnings paid to, Participants who have selected such Taxable Benefits and/or Nontaxable Benefits, in accordance with increases or decreases in the cost of the Taxable Benefits and/or Nontaxable Benefits.

**SECTION 2.** Section 5.27.240 is hereby amended to read as follows:

**5.27.240 Contributions.**

**A. Nonelective Contributions.**

1. Except as otherwise provided herein, each month the County shall contribute to the Plan on behalf of each Participant an amount equal to the greater of ~~\$675.00~~\$735.00 during the ~~1999~~2000, 2001, and 2002 Plan Years and ~~\$735.00~~\$770.00 beginning the ~~2000~~2003 Plan Year or the amount designated in subsection A1a or b below, whichever is applicable:

a. 14.5 percent of the Participant's Compensation for the preceding month if the Participant is a Retirement Plan A, B, C, or D Member, and has completed less than five years of continuous service as of the commencement of the current Plan Year;

b. 17.0 percent of the Participant's Compensation for the preceding month if the Participant is a Retirement Plan A, B, C, or D Member and has completed five or more years of continuous service as of the commencement of the current Plan Year, or if he is a Retirement Plan E Member; provided, however, that the percentage figures set forth in the following table shall apply in lieu of said 17.0 percent for any Participant, regardless of retirement plan, who has completed 10 or more years of continuous service as of January 1, 1991:



<b>Continuous Service</b>	<b>Nonelective</b>
<b>As of January 1, 1991</b>	<b>Contribution</b>
10 years	17.4%
11 years	17.8%
12 years	18.2%
13 years	18.6%
14 or more years	19.0%

2. In no event shall a Nonelective Contribution be made on behalf of any Participant who has not been in a pay status for at least eight hours during the prior month. Nonelective Contributions shall be reflected in County payroll warrants issued on or about the fifteenth day of the month following the month in which the requisite pay status was completed.

B. Elective Contributions. Each Eligible Employee prior to commencing his participation in the Plan and each Participant prior to the beginning of a Plan Year may irrevocably elect to have an additional dollar amount contributed by the County during a Plan Year for each month that he participates in the Plan as an Elective Contribution, not to exceed his Eligible Earnings for such month, and to have his Eligible Earnings reduced each month by an amount equal to such Elective Contribution; provided, however, that no Elective Contributions shall be contributed for any Participant if he has not been in a pay status for at least eight hours during the prior month. Such Elective Contribution on behalf of a Participant each month shall be equal to the amount necessary to fund the

Taxable Benefits and/or Nontaxable Benefits chosen by such Participant pursuant to the election procedure set forth in Section 5.27.260 A after first applying the Nonelective Contribution for such month to the cost of such Taxable Benefits and/or Nontaxable Benefits. In the event of contractual renegotiation, change in method of funding, or substitution of a Taxable Benefit and/or Nontaxable Benefit during a Plan Year, the County, without prior notice to Participants, may automatically adjust the Elective Contributions made for and/or the Eligible Earnings paid to, Participants who have selected such Taxable Benefits and/or Nontaxable Benefits, in accordance with increases or decreases in the cost of the Taxable Benefits and/or Nontaxable Benefits.

**SECTION 3.** Section 5.28.040 is hereby amended to read as follows:

**5.28.040 Contributions.**

A. Nonelective Contributions. Except as otherwise provided herein, each month the County shall contribute to the Plan on behalf of each Participant an amount equal to the greater of ~~\$489.00~~\$534.00 or 10.0 percent of such Participant's Compensation for the preceding month during the ~~1999~~2000, 2001, and 2002 Plan Years and an amount equal to the greater of ~~\$534.00~~\$559.00 or 10.0 percent of such Participant's Compensation for the preceding month beginning the ~~2000~~2003 Plan Year; provided, however, that no Nonelective Contribution shall be contributed for any Participant if he has not been in a pay status for at least eight hours during the prior month. Nonelective Contributions shall be reflected in County payroll warrants issued

on or about the fifteenth day of the month following the month in which the requisite pay status was completed.

B. Elective Contributions. Each Eligible Employee prior to commencing his participation in the Plan and each Participant prior to the beginning of a Plan Year may irrevocably elect to have an additional dollar amount contributed by the County during a Plan Year for each month that he participates in the Plan as an Elective Contribution, not to exceed his Eligible Earnings for such month, and to have his Eligible Earnings reduced each month by an amount equal to such Elective Contribution; provided, however, that no Elective Contribution shall be contributed for any Participant if he has not been in a pay status for at least eight hours during the prior month. Such Elective Contribution on behalf of a Participant each month shall equal the amount necessary to fund the Taxable Benefits and/or Nontaxable Benefits chosen by such Participant pursuant to the election procedure set forth in Section 5.28.060, after first applying the Nonelective Contribution for such month to the cost of such Taxable Benefits and/or Nontaxable Benefits. In the event of contractual renegotiation, change in method of funding, or substitution of a Taxable Benefit and/or Nontaxable Benefit during a Plan Year, the County, without prior notice to Participants, may automatically adjust the Elective Contributions made for, and/or the Eligible Earnings paid to, Participants who have selected such Taxable Benefits and/or Nontaxable Benefits in accordance with increases or decreases in the cost of the Taxable Benefits and/or Nontaxable Benefits.

**SECTION 4.** Section 5.28.240 is hereby amended to read as follows:

**5.28.240 Contributions.**

**A. Nonelective Contributions.**

1. Except as otherwise provided herein, each month the County shall contribute to the Plan on behalf of each Participant an amount equal to the greater of ~~\$675.00~~\$735.00 during the ~~1999~~2000, 2001, and 2002 Plan Years and ~~\$735.00~~\$770.00 beginning the ~~2000~~2003 Plan Year or the amount designated in subsection A1a or b below, whichever is applicable:

a. 14.5 percent of the Participant's Compensation for the preceding month if the Participant is a Retirement Plan A, B, C, or D Member, and has completed less than five years of continuous service as of the commencement of the current Plan Year;

b. 17.0 percent of the Participant's Compensation for the preceding month if the Participant is a Retirement Plan A, B, C, or D Member and has completed five or more years of continuous service as of the commencement of the current Plan Year, or if he is a Retirement Plan E Member; provided, however, that the percentage figures set forth in the following table shall apply in lieu of said 17.0 percent for any Participant, regardless of retirement plan, who has completed 10 or more years of continuous service as of January 1, 1991

<b>Continuous Service</b>	<b>Nonelective</b>
<b>As of January 1, 1991</b>	<b>Contribution</b>
10 years	17.4%
11 years	17.8%
12 years	18.2%
13 years	18.6%
14 or more years	19.0%

2. In no event shall a Nonelective Contribution be made on behalf of any Participant who has not been in a pay status for at least eight hours during the prior month. Nonelective Contributions shall be reflected in County payroll warrants issued on or about the fifteenth day of the month following the month in which the requisite pay status was completed.

B. Elective Contributions. Each Eligible Employee prior to commencing his participation in the Plan and each Participant prior to the beginning of a Plan Year may irrevocably elect to have an additional dollar amount contributed by the County during a Plan Year for each month that he participates in the Plan as an Elective Contribution, not to exceed his Eligible Earnings for such month, and to have his Eligible Earnings reduced each month by an amount equal to such Elective Contribution; provided, however, that no Elective Contributions shall be contributed for any Participant if he has not been in a pay status for at least eight hours during the prior month. Such Elective Contribution on behalf of a Participant each month shall be equal to the amount necessary to fund the

Taxable Benefits and/or Nontaxable Benefits chosen by such Participant pursuant to the election procedure set forth in Section 5.28.260 A after first applying the Nonelective Contribution for such month to the cost of such Taxable Benefits and/or Nontaxable Benefits. In the event of contractual renegotiation, change in method of funding, or substitution of a Taxable Benefit and/or Nontaxable Benefit during a Plan Year, the County, without prior notice to Participants, may automatically adjust the Elective Contributions made for and/or the Eligible Earnings paid to, Participants who have selected such Taxable Benefits and/or Nontaxable Benefits, in accordance with increases or decreases in the cost of the Taxable Benefits and/or Nontaxable Benefits.

**SECTION 5.** Pursuant to Government Code Sections 25123 (e) and (f), this ordinance shall take effect immediately upon passage.

[527040GLCOC]